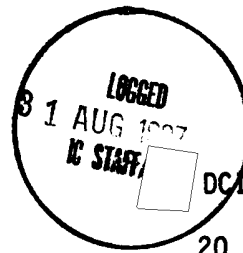


TRANSMITTAL SLIP		DATE <i>31 Aug 87</i>
TO: <i>ICS Registry</i>		
ROOM NO.	BUILDING	
REMARKS:		
FROM: <i>ICS/PBO</i>		
ROOM NO.	BUILDING	EXTENSION

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LIA 3-SR



DCI/ICS 3625-87

20 August 1987

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MEMORANDUM FOR: Acting Director of Central Intelligence

FROM: Director, Intelligence Community Staff

SUBJECT: DIAC Expansion and DIA Manpower Reductions []

25X1

REFERENCES: A. Senator DeConcini letter to DCI, dated 7 August 1987, Same Subject []

25X1

B. DCI Ltrs. to Chairmen of SSCI, HASC, SASC, and Defense Subcommittees of HAC and SAC, dated 27 July 1987, Same Subject. []

25X1

1. Action Requested: That you sign the attached letter for Senator Dennis DeConcini of the Select Committee on Intelligence. []

25X1

2. Background: Senator DeConcini has correctly noticed (Reference A) that if DIA receives a significant manpower reduction [] because of the 1986 DoD Reorganization Bill, then it really does not need to expand the DIAC in FY 1989. The DCI recently signed strong letters (Reference B) to the Chairmen of SSCI, HASC, SASC, and Defense Subcommittees of HAC and SAC requesting they exempt DIA from these cuts, and thanking the Chairman of HPSCI for their support in the language of the House FY 1988 Authorization Act. Having defended DIA's manpower, we must be consistent by supporting DIA's facility needs to consolidate and adequately house its workforce. The attached letter for your signature responds in this vein to Senator DeConcini's request for an explanation and data. [] DD/GDIP Staff, and [] DIA Legislative Liaison, collaborated closely in the preparation of this response.

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STAT

Edward J. Metz
Lieutenant General, USAF

Attachment:

Letter for signature to Senator DeConcini
(DCI/ICS 3625-87/1)

[]

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Page Denied

1 B

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The Director of Central Intelligence

Washington, D.C. 20505

27 July 1987

The Honorable Bill Chappell, Jr.
Chairman
Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to you to request an exemption for the Defense Intelligence Agency from the manpower reductions which would otherwise be imposed as a result of the Goldwater-Nichols Defense Reorganization Act of 1986. As you are aware, DIA would lose about [] positions [] of its Congressionally approved FY 1987 manpower. This is [] positions [] fewer than the Agency's FY 1988-1989 NFIP budget request. I believe that such reductions would have an extremely serious adverse impact on defense intelligence. Given the many additional requirements being levied on DIA and the vast increases in raw intelligence it must deal with, DIA needs considerably more people, not less. []

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The experience of the last several years would indicate that Congress agrees, since it has regularly approved modest increases in DIA's personnel strength. Any "fat" in DIA was eliminated in the large reductions of the 1970s. Indeed, those reductions resulted in significant basic intelligence shortfalls that still have not been overcome fully. Nearly all of the positions restored since 1980 have been applied to new challenges of high national interest, such as SDI support, Defense HUMINT, and direct support to operating forces. These are areas for which I rely on DIA to take the lead for the Intelligence Community. I also depend on DIA for highly valued contributions on technology transfer, counterterrorism, and counternarcotics. In addition, we must not ignore DIA's traditional missions. It is the principal producer of military intelligence for the United States. All NFIP agencies, as well as the DoD, would be affected by any loss in the quality or coverage of the national military intelligence data base. []

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CIA and the Service intelligence agencies, none of which have the resources or capability to perform it. In addition, none of the Services has the independence and objectivity needed to produce estimates and assessments that conflict with Service policy and weapon acquisition programs. I am convinced that, if DIA suffers substantial manpower reductions, it will be unable to perform its mission and the highest levels of our military and national security institutions will suffer unacceptably. [redacted]

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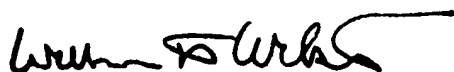
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Deputy Secretary Taft and Deputy Director Gates have discussed this issue and agree on the need for the exemption. They also agreed that a DIA exemption should not have to be compensated for elsewhere in Defense. I believe that the HPSCI has handled the situation well in Title I, Section 102(b) of the Intelligence Authorization Act for FY 1988 (H.R. 2112), and I request that your Committee adopt the HPSCI approach. [redacted]

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Sincerely yours,



William H. Webster

cc: Chairman HPSCI (Hon. Louis Stokes)
Deputy Secretary of Defense
Director, DIA

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The Director of Central Intelligence

Washington, D.C. 20505

27 July 1987

The Honorable John C. Stennis
Chairman
Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing to you to request an exemption for the Defense Intelligence Agency from the manpower reductions which would otherwise be imposed as a result of the Goldwater-Nichols Defense Reorganization Act of 1986. As you are aware, DIA would lose about [] positions [] of its Congressionally approved FY 1987 manpower. This is [] positions [] fewer than the Agency's FY 1988-1989 NFIP budget request. I believe that such reductions would have an extremely serious adverse impact on defense intelligence. Given the many additional requirements being levied on DIA and the vast increases in raw intelligence it must deal with, DIA needs considerably more people, not less. []

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Sincerely yours,



William H. Webster

cc: Chairman HPSCI (Hon. Louis Stokes)
Deputy Secretary of Defense
Director, DIA

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The Director of Central Intelligence

Washington, D.C. 20505

27 July 1987

The Honorable David L. Boren
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing to you to request an exemption for the Defense Intelligence Agency from the manpower reductions which would otherwise be imposed as a result of the Goldwater-Nichols Defense Reorganization Act of 1986. As you are aware, DIA would lose about [] positions [] of its Congressionally approved FY 1987 manpower. This is [] positions [] fewer than the Agency's FY 1988-1989 NFIP budget request. I believe that such reductions would have an extremely serious adverse impact on defense intelligence. Given the many additional requirements being levied on DIA and the vast increases in raw intelligence it must deal with, DIA needs considerably more people, not less. []

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Sincerely yours,



William H. Webster

cc: Chairman HPSCI (Hon. Louis Stokes)
Deputy Secretary of Defense
Director, DIA

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The Director of Central Intelligence

Washington, D.C. 20505

27 July 1987

The Honorable Sam Nunn
Chairman
Senate Armed Services Committee
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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Sincerely yours,



William H. Webster

cc: Chairman HPSCI (Hon. Louis Stokes)
Deputy Secretary of Defense
Director, DIA

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The Director of Central Intelligence

Washington, D.C. 20505

27 July 1987

The Honorable Les Aspin
Chairman
House Armed Services Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to you to request an exemption for the Defense Intelligence Agency from the manpower reductions which would otherwise be imposed as a result of the Goldwater-Nichols Defense Reorganization Act of 1986. As you are aware, DIA would lose about [] positions [] of its Congressionally approved FY 1987 manpower. This is [] positions [] fewer than the Agency's FY 1988-1989 NFIP budget request. I believe that such reductions would have an extremely serious adverse impact on defense intelligence. Given the many additional requirements being levied on DIA and the vast increases in raw intelligence it must deal with, DIA needs considerably more people, not less. []

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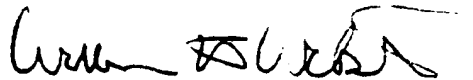
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Sincerely yours,



William H. Webster

cc: Chairman HPSCI (Hon. Louis Stokes)
Deputy Secretary of Defense
Director, DIA

SECRET

The Director of Central Intelligence

Washington, D.C. 20505

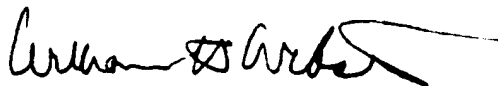
27 July 1987

The Honorable Louis Stokes
Chairman
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for the support shown by the HPSCI for granting DIA an exemption from the manpower reductions which could be imposed on it as a result of the DoD Reorganization Act. Forestalling a reduction is a top priority for me, and the language the Committee included in the FY 1988 Authorization Act is most appreciated. It would be a grave disservice to the country to eliminate so much of the capability DIA has so painfully rebuilt--with full Congressional support--in the last few years. I have enclosed for your information a letter I am sending to that effect to the Chairmen of the SSCI, the Defense Subcommittees of the House and Senate Appropriations Committees, and the House and Senate Armed Services Committees. The letter requests that their Committees adopt the HPSCI's recommendation for an exemption for DIA.

Sincerely yours,



William H. Webster

Enclosures: 5
Ltrs to Chairman, SSCI, HAC, SAC,
SASC, and HASC

All portions of this letter
are UNCLASSIFIED

SECRET

SUBJECT: DIAC Expansion and DIA Manpower Reductions

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ICS/PBO/ 20 Aug 1987)

STAT

Distribution: DCI/ICS 3625-87 (All w/att.)

Original - ER (for ADCI)

- 1 - D/OCA
- 1 - D/ICS; DD/ICS; DDR&E/ICS
- 1 - ICS/LL
- 1 - PBO Subject (Cong. Corres.)
- 1 - PBO/Northrup
- 1 - PBO Chrono
- 1 - ICS Registry

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AUG 24 1987

NOTE FOR: Acting Director of Central Intelligence
FROM: Director, Intelligence Community Staff
SUBJECT: DIAC Expansion and DIA Manpower Reductions (U)

REFERENCE: My Memorandum DCI/ICS 3625-87 of 20 Aug 87, Same Subject (U)

Bob - Added info that d hope will help -

1. Additional Background Information: We have redrafted the third paragraph of the response to Senator DeConcini as you instructed. It now emphasizes that the DIA exemption should not come at the expense of other DoD components. I was not certain that the HPSCI FY 1988 Authorization Bill did this precisely, so I asked my staff to check. Although the language of H.R. 2112, Section 102, paragraph (b)(1) is somewhat obscure, the Committee Report to accompany the bill explains, "Section 102(b) provides that the numbers of non-headquarters personnel of the Defense Intelligence Agency (DIA) and the Defense Mapping Agency (DMA), shall not be reduced, nor counted for purposes of determining how many Department of Defense personnel should be reduced, in accordance with the provisions of Section 601 of the Department of Defense Reorganization Act of 1986." This is exactly what you and Secretary Taft agreed upon. The "headquarters" cuts will still apply, but for DIA this only amounts to a total reduction of nine positions: three in FY 1988 and six in FY 1989, which is not worth quibbling over if we save more than a thousand manpower positions. I have highlighted and attached the relevant portions of the HPSCI Bill and Report.

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Edward J. Heinz
Lieutenant General, USAF

Attachments:

Excerpts from H.R. 2112, HPSCI FY 1988 Authorization Bill
Excerpts from House Report 100-93, accompanying H.R. 2112

Regrade as UNCLASSIFIED when separated
from attachments

~~SECRET~~

100TH CONGRESS
1ST SESSION

H. R. 2112

To authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 1987

Mr. STOKES introduced the following bill; which was referred to the Permanent Select Committee on Intelligence

A BILL

To authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 *That this Act may be cited as the "Intelligence Authoriza-*
- 4 *tion Act, Fiscal Year 1988".*

TITLE I—INTELLIGENCE ACTIVITIES**AUTHORIZATION OF APPROPRIATIONS**

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1988 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The Drug Enforcement Administration.

CLASSIFIED SCHEDULE OF AUTHORIZATIONS

SEC. 102. (a) The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1988, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared by the Permanent Select Committee on Intelligence to accompany H.R. 2112 of the One Hundredth Congress. That Schedule of Authorizations shall be

1 made available to the Committee on Appropriations of the
2 Senate and House of Representatives and to the President.

3 The President shall provide for suitable distribution of the
4 Schedule, or of appropriate portions of the Schedule, within
5 the executive branch.

6 (b)(1) In computing the number of nonheadquarters per-
7 sonnel required to be reduced under subsection (b)(2)(A) of
8 section 601 of Public Law 99-433 (100 Stat. 1065), the Sec-
9 retary of Defense shall exclude personnel of the Defense In-
10 telligence Agency and the Defense Mapping Agency, and in
11 carrying out that reduction, the Secretary shall allocate such
12 reduction (under the authority of the Secretary under subsec-
13 tion (d) of that section) so that none of such reduction is ap-
14 plied to personnel of the Defense Intelligence Agency or the
15 Defense Mapping Agency.

16 (2) For purposes of paragraph (1), the term "nonhead-
17 quarters personnel" means members of the Armed Forces
18 and civilian employees assigned or detailed to permanent
19 duty in the Defense Agencies and Department of Defense
20 Field Activities, other than members and employees assigned
21 or detailed to duty in management headquarters activities or
22 management headquarters support activities.

23 PERSONNEL CEILING ADJUSTMENTS

24 SEC. 103. The Director of Central Intelligence may au-
25 thorize employment of civilian personnel in excess of the
26 numbers authorized for fiscal year 1988 under sections 102

100TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 100-93
Part 1

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR
1988

MAY 13, 1987.—Ordered to be printed

Mr. STOKES, from the Permanent Select Committee on Intelligence,
submitted the following

REPORT

[To accompany H.R. 2112]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 2112) to authorize appropriations for fiscal year 1988 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE

The bill would:

- (1) Authorize appropriations for fiscal year 1988 for (a) the intelligence and intelligence-related activities of the U.S. Government, (b) the Intelligence Community Staff and (c) the Central Intelligence Agency Retirement and Disability System;
- (2) Authorize the personnel ceilings on September 30, 1988 for the intelligence and intelligence-related activities of the U.S. Government;
- (3) Permit the Director of Central Intelligence to authorize personnel ceilings in fiscal year 1988 for any intelligence elements up to 2 percent above the authorized levels;
- (4) Provide restrictions on support for military or paramilitary operations in Nicaragua;
- (5) Provide retirement benefits for certain former spouses of CIA personnel;
- (6) Provide a uniform allowance for certain civilian employees overseas of the Defense Intelligence Agency;

91-006

(7) Extend special separation authority applicable to personnel of the Defense Intelligence Agency and certain service intelligence elements; and

(8) Establish a Commission on Intelligence Personnel Systems.

OVERALL PERSPECTIVE ON THE INTELLIGENCE BUDGET

COMMITTEE INTENT

The classified schedule of authorizations and the detailed explanation found in the classified annex to this public report contain a thorough discussion of all budget issues considered by the committee and are available to all Members of the House. The schedule of authorizations lists the dollar amounts and personnel ceilings for all the intelligence and intelligence-related programs authorized by the bill. These are directly incorporated into, and are integral to, the bill itself. It is the intent of the committee that all intelligence programs discussed in the annex to this report be conducted in accordance with the guidance and limitations contained therein.

SCOPE OF COMMITTEE REVIEW

The National Foreign Intelligence Program budget consists of resources of the following departments, agencies, and other elements of the Government: (1) the Central Intelligence Agency; (2) the Department of Defense; (3) the Defense Intelligence Agency; (4) the National Security Agency; (5) the Departments of the Army, Navy and Air Force; (6) the Department of State; (7) the Department of the Treasury; (8) the Department of Energy; (9) the Federal Bureau of Investigation; (10) the Drug Enforcement Administration; and (11) the Intelligence Community Staff of the Director of Central Intelligence.

The Department of Defense Tactical Intelligence and Related Activities (TIARA) are a diverse array of reconnaissance and target acquisition programs which are a functional part of the basic force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and the Secretary of Defense, include those activities outside the Defense Intelligence program which respond to military commanders for operational support information as well as to national command, control, and intelligence requirements. These military intelligence activities also fall within the jurisdiction of the Committee on Armed Services.

During February and March 1987, the Program and Budget Authorization Subcommittee conducted a series of 12 hearings involving a total of more than 28 hours of testimony with witnesses from each major intelligence and intelligence-related program. These budget hearings resulted in written responses to many additional questions.

OVERALL COMMITTEE FINDINGS AND RECOMMENDATIONS

The administration requested real growth for fiscal year 1988 over the amount Congress appropriated for intelligence in fiscal year 1987. The committee was not convinced that the total amount

1 and 202 of this Act when he determines that such action is
2 necessary to the performance of important intelligence func-
3 tions, except that such number may not, for any element of
4 the Intelligence Community, exceed 2 per centum of the
5 number of civilian personnel authorized under such sections
6 for such element. The Director of Central Intelligence shall
7 promptly notify the Permanent Select Committee on Intelli-
8 gence of the House of Representatives and the Select Com-
9 mittee on Intelligence of the Senate whenever he exercises
10 the authority granted by this section.

11 **RESTRICTION ON SUPPORT FOR MILITARY OR**

12 **PARAMILITARY OPERATIONS IN NICARAGUA**

13 **SEC. 104.** Funds available to the Central Intelligence
14 Agency, the Department of Defense, or any other agency or
15 entity of the United States involved in intelligence activities
16 may be obligated and expended during fiscal year 1988 to
17 provide funds, materiel, or other assistance to the Nicaraguan
18 democratic resistance to support military or paramilitary op-
19 erations in Nicaragua only as authorized in section 101 and
20 as specified in the classified Schedule of Authorizations re-
21 ferred to in section 102, or pursuant to section 502 of the
22 National Security Act of 1947, or pursuant to any provi-
23 sion of law specifically providing such funds, materiel, or
24 assistance.

requested for fiscal year 1988 was fully warranted. The committee recommends a lower level of funding than that requested by the President. Some proposals have been recommended for deferral or deletion, while a few have been increased. The overall impact of the recommendation is a reduction in the request. The committee believes that the recommended authorization is a reasonable balance between needed capabilities and prudent cost.

It should be understood that the intelligence budget is largely a subset of the defense budget. Almost all of the intelligence budget is contained within the defense budget both for reasons of security and because the great majority of intelligence activities are conducted by elements of the Department of Defense. Thus, increases and decreases for intelligence are largely changes within the defense budget and are not direct changes to the federal budget as a whole. The committee has recommended reductions which are generally commensurate with those applied to defense as a whole but which recognize the high priority which the committee and the Congress place on intelligence.

CONSIDERATION OF AMENDMENTS

An amendment was offered during consideration of the bill which would have had the effect of prohibiting funds available to the CIA, DoD or elements of the United States engaged in intelligence activities from being used to conduct or support military or paramilitary operations in Angola unless the Congress by joint resolution approved such activities. The amendment failed by a record vote of 7-8.

SECTION-BY-SECTION ANALYSIS OF BILL AS REPORTED

TITLE I—INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

Sections 101-103

Section 101 lists the departments and agencies for whose intelligence and intelligence-related activities the bill authorizes appropriations for fiscal year 1988.

Section 102(a) makes clear that details of the committee's recommendations with respect to the amounts authorized to be appropriated for intelligence and intelligence-related activities and personnel ceilings covered under title I for fiscal year 1988 are contained in a classified schedule of authorizations. The details of the schedule are explained in the classified annex to this report. The schedule of authorizations is incorporated into the bill by this section.

Section 102(b) provides that the numbers of non-headquarters personnel of the Defense Intelligence Agency (DIA) and the Defense Mapping Agency (DMA), shall not be reduced, nor counted for purposes of determining how many Department of Defense personnel should be reduced, in accordance with the provisions of Section 601 of the Department of Defense Reorganization Act of 1986. Section 601 requires the Secretary of Defense to make certain reductions in both the headquarters and non-headquarters personnel of the Department of Defense based on the number of such personnel as of September 30, 1986. Section 102(b) would exempt DIA and DMA only from the non-headquarters cuts while holding other de-

defense agencies and field activities harmless from an increased share of personnel reductions required by Section 601. The committee achieved this result by reducing the base number of non-headquarters personnel against which Section 601 reductions of non-headquarters personnel must be taken.

The committee felt that Section 102(b) was necessary in light of the increase in the number of requirements for intelligence products levied upon both DIA and DMA in recent years. These increased demands have been either supported, or created, by the Congress and have led to the authorization of additional personnel at both agencies. It was the committee's reasoning that its support for more and better analysis and mapping products carried with it an obligation to provide the personnel to perform these tasks without regard to overall reductions in DoD manpower. The committee did feel, however, that some reduction in headquarters management was appropriate in both agencies.

Section 103 permits the Director of Central Intelligence to authorize the civilian personnel strength of any intelligence element to exceed the fiscal year 1988 authorized civilian personnel levels by no more than 2 percent if he determines that doing so is necessary for the performance of important intelligence functions. The Director must notify the two intelligence committees promptly of any exercise of authority under the section.

The committee emphasizes that the authority conveyed by Section 103 is not intended to permit the wholesale raising of personnel strength in each or any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust civilian personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees from retirement, resignation, and so forth. The committee does not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed personnel levels set in the schedule of authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill.

Section 104: Restriction on support for military or paramilitary operations in Nicaragua

Section 104 provides that funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated and expended during Fiscal Year 1988 to provide funds, materiel or other assistance to the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua only as authorized pursuant to Section 101 and as specified in the Classified Schedule of Authorizations referred to in Section 102, Section 502 of the National Security Act of 1947, or any provision of law specifically providing such funds, materiel or assistance, such as is contained in the Military Construction Appropriations Act, 1987 (P.L. 99-500 and P.L. 99-518).

Section 104 continues in force the provisions of Section 106 of the Intelligence Authorization Act for Fiscal Year 1987 (P.L. 99-569).

~~SECRET~~

The Director of Central Intelligence

Washington, D.C. 20505

28 August 1987

Senator Dennis DeConcini
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Senator DeConcini:

Thank you for your letter of 7 August 1987. We appreciate your concern about the Defense Intelligence Agency's facilities requirements and personnel strength, and we welcome the opportunity to explain our position regarding them. []

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The Defense Intelligence Analysis Center (DIAC) was built at Bolling Air Force Base to consolidate DIA's scattered operations. Although occupancy was not completed until 1984, the size of the building was frozen in 1978 to accommodate the then-existing workforce in accordance with Department of Defense and Congressional rules. Unfortunately, DIA manpower was at its lowest level ever in 1978. Since then, with continual Congressional support and approval, DIA has grown to meet new and increasing requirements for national military intelligence. As a result of this growth, the DIAC is not large enough to contain all of DIA's functions. Specifically, the need to collocate the imagery analysis and the HUMINT activities with the all-source analysis functions in the DIAC still remains. []

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Currently, under the Goldwater-Nichols Defense Reorganization Act of 1986, DIA would lose about [] positions [] of its Congressionally approved FY 1987 manpower. This reduction comes at a time when requirements for defense intelligence are increasing, in part because of the mandates of the Reorganization Act itself. I have discussed this issue at length with Deputy Secretary Taft. We agree on the need for a DIA exemption, but we also agree that this exemption should not have to be compensated for elsewhere in Defense. I believe that the House Permanent Select Committee on Intelligence has handled this situation well in its version of the FY 1988 Intelligence Authorization Bill, which recommends that DIA be exempted from the reductions as is NSA. Director Webster strongly supports this exemption, as he clearly expressed in his letters of 27 July 1987 to the Chairman of the Senate Select Committee on Intelligence, the Defense Subcommittees of the House and Senate Appropriations Committees, and the House and Senate Armed Services Committees. The SSCI has informally expressed support for DIA in this situation, and we are hopeful that the HPSCI language will be accepted by the Authorization Conference. []

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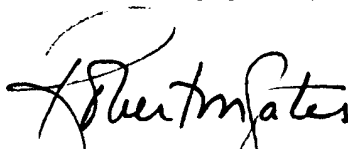
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The size of the proposed DIAC addition is approximately 175,000 square feet at a projected cost of \$170 per square foot. It will enable DIA to finally realize its consolidation goal. The project is currently in the design phase with design completion scheduled for October 1988. If the DIAC expansion receives FY 1989 Congressional authorization and appropriation, the bidding phase would commence, and information on construction bids should then be available by the second quarter of FY 1989. (U)

Sincerely yours,

A handwritten signature in black ink, appearing to read "Robert M. Gates". The signature is fluid and cursive, with the first name "Robert" and last name "Gates" clearly distinguishable.

Robert M. Gates
Acting Director

cc: Chairman SSCI (Hon. David L. Boren)
Deputy Secretary of Defense
Director, DIA

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SUBJECT: ADCI Ltr to Sen. DeConcini, SSCI re DIAC Expansion
and DIA Manpower Reductions (U)

ICS/PBO, [] 28 Aug 1987)

STAT

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